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UNCLAS THE HAGUE 000746

SIPDIS

SENSITIVE

STATE FOR EB/ESC/TFS(GLASS/SALOOM), IO/PHO, L/EB

TREASURY FOR WALLWORTH AND ZARATE

E.O. 12958 N/A

TAGS: [ETTC](#) [EFIN](#) [IZ](#) [NL](#)

SUBJECT: IRAQI ASSETS: TRANSFERRING ASSETS FROZEN IN THE
NETHERLANDS TO THE DEVELOPMENT FUND FOR IRAQ

REF: A) STATE 36435 B) HOLLIDAY-KUSHNER E-MAIL OF 2/5/04 C)

STATE 19363 D) 03 THE HAGUE 2674 E) 03 State 291321

1. (SBU) Dutch authorities are preparing a Ministerial decree that will allow them to confiscate Iraqi assets frozen in the Netherlands. This decree should be promulgated within the next 90 days and will apply to assets of the former regime that are already frozen and any that have not yet been discovered. The decision to effect confiscation through Ministerial decree represents a change in position: previously, the GONL had maintained that new legislation would be required.

2. (SBU) Until promulgation of this decree, Dutch financial authorities still believe they can transfer funds from frozen accounts to the DFI with the permission of the account holders. In practice, this has proven more difficult than expected. Transfer of approximately 18,000 euro from a Rasheed Bank account (note: ref e identifies this as a Rafidain account; however, ref b and Dutch authorities indicate it is a Rasheed account) held by Commerzbank (Nederland) has been delayed by an interregnum in Commerzbank management (a key official recently died.) and non-receipt by Commerzbank of the original Rasheed Bank letter requesting transfer (ref b). The situation is being sorted out. Dutch officials confirm that ABN Amro account 41.79.82.992 referenced in ref a was lawfully closed several months ago. They also confirm that the Dutch Central Bank holds 1000 euro in of Iraqi Central Bank Funds and that approximately 4,000 euro in Rafidain funds are also frozen in the Netherlands (possibly also at Commerzbank).

Sobel